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# Employment and unemployment: An International Perspective, June 2020

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**i** Source: [Labour Force, Australia, June 2020](#)

The various social, economic and labour market restrictions to slow the spread of COVID-19, and government support packages to mitigate their impact, have differed across countries. Similarly, the nature and timing of the efforts to progressively relax and lift restrictions have varied by country (and sometimes by state or province).

This article compares the latest estimates of unemployment, unemployment rate and participation rate for Australia with those in the US and Canada. In addition to their experiences with COVID-19 being different to Australia, there are some key differences in the approach used in the US and Canada to classify people who have been stood down and are not working for a short period, compared to Australia and other OECD countries. Further information on these differences can be found in the [previous issue of this article \(https://beta.abs.gov.au/articles/employment-and-unemployment-international-perspective-may-2020\)](https://beta.abs.gov.au/articles/employment-and-unemployment-international-perspective-may-2020).

Additional estimates are provided to support more effective comparisons with the US and Canadian estimates for April, May and June. The differences in the treatment of stood-down workers are usually not material to cross country comparisons, but at a time of major shutdown in the economy, where large numbers of people have been stood down, they become important.

Table 1 shows that the unemployment rate in the US rose sharply between March and April (from 4.4% to 14.7%), before decreasing to 13.3% in May and then to 11.1% in June. In Canada, the unemployment rate also rose sharply between March and April (from 7.8% to 13.0%), increased again in May, then fell between May and June (from 13.7% to 12.3%).

In contrast, the official unemployment rate in Australia has continued to increase since March, reflecting the relatively large flows of people out of the labour force in April and May.

However, the additional comparison rates in this article have, like in the US, been decreasing since April. For example, if people working zero hours who indicated they had been 'stood down' (Group 1) were added to the unemployed estimate, the comparative rate in Australia would have increased from 5.3% in March to 9.5% in April, before falling to 8.1% in May and then 8.0% in June.

Changes in the official participation rates were more consistent over the period, although the US and Canada both reported their lowest estimate in April, compared to May for Australia.

**Table 1: Comparison of US and Canadian labour market measures with Australian official and additional estimates**

	Mar-20	Apr-20	May-20	Jun-20	May to June change	March to June change
Australia - unemployed people	716,100	841,900	923,000	992,300	69,300	276,200
Australia - unemployed people plus employed people in Group 1	725,300	1,254,500	1,061,700	1,068,000	6,300	342,700
Australia - unemployed people plus employed people in Group 2	743,600	1,553,300	1,236,100	1,167,600	-68,500	424,000
Canada - unemployed people (includes temporary layoffs)	1,547,000	2,418,300	2,619,200	2,452,600	-167,000	905,600
United States - unemployed people (includes temporary layoffs)	7,140,000	23,078,000	20,985,000	17,750,000	-3,235,000	10,610,000
Australia - unemployment rate	5.2%	6.4%	7.1%	7.4%	0.3 pts	2.2 pts
Australia - unemployed people plus Group 1, as a percentage of the labour force	5.3%	9.5%	8.1%	8.0%	-0.1 pts	2.7 pts
Australia - unemployed people plus Group 2, as a percentage of the labour force	5.4%	11.7%	9.4%	8.8%	-0.6 pts	3.4 pts
Canada - unemployment rate	7.8%	13.0%	13.7%	12.3%	-1.4 pts	4.5 pts
United States - unemployment rate	4.4%	14.7%	13.3%	11.1%	-2.2 pts	6.7 pts
Australia - participation rate	65.9%	63.6%	62.7%	64.0%	1.3 pts	- 1.9 pts
Canada - participation rate	63.5%	59.8%	61.4%	63.8%	2.4 pts	0.3 pts
United States - participation rate	62.7%	60.2%	60.8%	61.5%	0.7 pts	- 1.2 pts

Source: ABS, Statistics Canada, US Bureau of Labor Statistics.

Notes: 'Group 1' refers to employed people working zero hours who indicated they were 'stood down'. 'Group 2' refers to a further expanded group of employed people working zero hours who indicated they had 'no work, not enough work available or were stood down'. The US Bureau of Labor Statistics noted that some people on temporary layoff were not classified as such and the unemployment rate could have been almost 1 point higher in June (3 pts higher in May, and 5 pts higher in April).

## Further information

For further information, email [labour.statistics@abs.gov.au](mailto:labour.statistics@abs.gov.au) (<mailto:labour.statistics@abs.gov.au>).